

HOUSE BILL 2538

By Doggett

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 6, relative to the sales and use tax on
water for private residences.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-6-315, is amended by deleting the section in its entirety and substituting instead the following:

(a) There is exempt from the tax levied by this chapter water sold by a public utility to a consumer for residential use.

(b)

(1) As used in this section, "sold by a public utility to a consumer for residential use" includes the furnishing of water to single private residences, including the separate private units of apartment houses and other multiple dwellings, actually used for residential purposes, that are separately metered or measured, regardless of the fact that a person other than the resident:

(A) Is contractually bound to the public utility for the charges;

(B) Actually pays the charges; or

(C) Is billed for the charges.

(2) Use of water in hotel or motel units by transient occupants does not constitute residential use.

(3) In any instance in which the owner of a residential unit fails to disclose to a public utility that the unit is being used for a purpose that would render the sale of water taxable, such owner is liable for any tax, penalty or interest due thereon, rather than the public utility.

(c) The sales and use tax imposed by this chapter on sales of water sold by a public utility to a consumer for non-residential use applies only to charges on the consumer's monthly bill for metered usage, a monthly minimum bill, a monthly customer charge, or a monthly demand charge.

SECTION 2. This act shall take effect July 1, 2020, the public welfare requiring it.